

**CITY OF LUBBOCK
REGULAR CITY COUNCIL MEETING
DECEMBER 14, 2007
3:00 P. M.**

The City Council of the City of Lubbock, Texas met in regular session on the 14th day of December, 2007, in the City Council Chambers, first floor, City Hall, 1625 13th Street, Lubbock, Texas at 3:00 P. M.

3:00 P.M. CITY COUNCIL CONVENED
City Council Chambers, 1625 13th Street, Lubbock, Texas

Present: Mayor David A. Miller, Mayor Pro Tem Jim Gilbreath, Council Member Linda DeLeon, Council Member Phyllis Jones, Council Member Todd R. Klein, Council Member John Leonard, Council Member Floyd Price

Absent: No one

1. CITIZEN COMMENTS were considered following Item 4.1.

2. EXECUTIVE SESSION was considered following Item 6.2.

3. PROCLAMATIONS AND PRESENTATIONS

3.1. Invocation by Pastor Mike Stallworth, Calvary Baptist Church

3.2. Pledge of Allegiance to the Flags

Pledge of Allegiance was given in unison by those in the City Council Chambers to both the United States flag and the Texas flag.

3.3. Presentation of a special recognition to Donna Nussbaum honoring her work in preparing 3,000 Christmas stockings and cards for U.S. troops stationed to Kunsan Air Base in South Korea.

Mayor Miller presented special recognition to Donna Nussbaum, honoring her and other volunteers work in preparing 3,000 Christmas stockings and cards for U.S. troops stationed to Kunsan Air Base in South Korea. Accepting the special recognition were Donna Nussbaum and many volunteers. Ms. Nussbaum gave comments.

4. MINUTES

4.1. Approval of Prior Meeting Minutes: Regular City Council Meeting, November 20, 2007

Motion was made by Council Member Leonard, seconded by Council Member Price to approve the minutes of the Regular City Council Meeting of November 20, 2007 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

1. CITIZEN COMMENTS

Billy Babcock, Lori Rhodes, Larry Burks, and Jan Henderson appeared before Council to voice their support in favor of funding for soccer fields.

Mikel Ward appeared before Council to share her opinion on the issuance of Certificates of Obligation versus General Obligation bonds, and the impact on the tax rate.

Mark Lawson appeared before Council to give his opinion on activities for children and how important it is to share time with kids, keeping them healthy and happy.

5. CONSENT AGENDA (Items 5.2-5.7)

Motion was made by Council Member Jones, seconded by Council Member Leonard to approve Items 5.2-5.7 on consent agenda as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

5.1. This item was moved from consent agenda to regular agenda and considered following Item 5.7.

5.2. Right-of-Way Ordinance 2nd Reading – Right-of-Way: Ordinance No. 2007-O0123 Consider an ordinance abandoning and closing two drainage easements located in Section 18, Block A, Lubbock County, Texas, easements located at 4320 Princeton Street.

City Council considered on December 6, 2007, the first reading of the ordinance. The ordinance abandons and closes two drainage easements in Section 18, Block A, located north of Princeton Street on North Quaker Avenue and east of North Quaker Avenue on Princeton Street. The drainage easements were replaced with new easements when Lubbock Medical Center Addition Tract A was platted and these easements are no longer needed. The Storm Water Drainage Engineering Department is in agreement with the drainage easement closures.

FISCAL IMPACT

No fiscal impact.

Staff recommended approval of the second reading of this ordinance.

5.3. Right-of-Way Ordinance 2nd Reading – Right-of-Way: Ordinance No. 2007-O0124 Consider an ordinance abandoning and closing certain underground utility easements, a sewer line easement, and transformer pad easements, on Tracts C-1, D-1, H-1, Bryan Park Addition, easement located at 3301, 3305, and 3309 63rd Street.

City Council considered on December 6, 2007, the first reading of the ordinance. The ordinance abandons and closes certain underground utility easements, a sewer line easement, and transformer pad easements located on Tracts C-1, D-1, H-1, and Bryan Park Addition, which is located east of Indiana Avenue on 63rd Street. The closures are needed for the construction of a new fire station on the lots. All utility companies are in agreement with these easement closures.

FISCAL IMPACT

No fiscal impact.

Staff recommended approval of the second reading of this ordinance.

- 5.4. Public Improvement District Ordinance 2nd Reading - Business Development: Ordinance No. 2007-00125 Consider an ordinance reviewing classifications for the methods of assessing special benefits for the services and improvements of property in the North Overton Public Improvement District; approving, adopting and filing with the City Secretary the Assessment Roll; and levying 2008 assessments for the cost of certain services and/or improvements to be provided in the District during FY 2008-09.**

City Council approved on December 6, 2007, the first reading of the ordinance. Each year, the City is required to review classifications for the methods of assessing special benefits for the services and improvements of property in the North Overton Public Improvement District (PID); approve, adopt and file the assessment roll with the City Secretary; and levy the assessment for the North Overton Public Improvement District.

The proposed assessment rate for 2008 is \$0.17 per \$100 of valuation through year 2009, decreasing to \$0.10 per \$100 of valuation in 2010. This is a change from the original Service Plan which reflected \$0.15 per \$100 valuation through 2010 and then decreasing to \$0.10 in 2011. The revision to the Service Plan was required because of flat revenues expected in the next two years and the expected increase in cost of maintenance of the public improvements.

All property zoned commercial and high-density residential under the City of Lubbock Zoning Ordinance will be assessed for 2008. All single-family and duplex-zoned property will be assessed on a block-by-block basis as public improvements maintained by PID funds are completed in that block.

City Council is required to review the Service Plan annually and adopt an ordinance setting the assessment rate for the PID. The revised Service Plan is provided in the backup.

FISCAL IMPACT

The assessments will go into a separate North Overton Public Improvement District Fund. The funds raised by the assessment will be used to provide security service, landscape maintenance, street and pedestrian lighting, maintenance on projects in the District, and a portion of the costs of administering the PID. The estimated total assessment that will be collected for 2007 is \$224,250 (97% collection).

Staff recommended approval of the second reading of this ordinance.

- 5.5. Public Improvement District Ordinance 2nd Reading - Business Development: Ordinance No. 2007-00126 Consider an ordinance reviewing classifications for the methods of assessing special benefits for the services and improvements of property in the North Point Public Improvement District; approving, adopting and filing with the City Secretary the Assessment Roll; and levying 2008 assessments for the cost of certain services and/or improvements to be provided in the District during FY 2008-09.**

City Council approved on December 6, 2007, the first reading of the ordinance. Each year the City of Lubbock is required to review classifications for the methods of assessing special benefits for the services and improvements of property in the North Point Public Improvement District (PID); approve, adopt and file the assessment role with the City Secretary; and levy the assessment for the North Point Public Improvement District. The proposed assessment rate for 2008 is \$0.14 per \$100 of valuation through year 2012, decreasing to \$0.08 per \$100 of valuation in 2013. All property will be assessed for 2008.

The development in the North Point PID has been slower than originally projected. Therefore, the Service Plan was revised to reflect the change in projected investment. The slower rate of development also impacted the assessment rate over the long term. In the revised Service Plan attached to the ordinance, the annual assessment rate is changed as follows:

\$0.14 per \$100 valuation extended through 2012

Beginning 2013, the assessment rate will be \$0.08 per \$100 valuation instead of \$0.04 as originally projected.

City Council is required to review the Service Plan annually and adopt an ordinance setting the assessment rate for the PID. The revised Service Plan is provided in the backup.

FISCAL IMPACT

The assessments will go into a separate North Point Public Improvement District Fund. The funds raised by the assessment in the District will be used to provide maintenance on the commons areas on North Slide Road and adjacent right-of-way, creating and maintaining a green space located under a utility easement, and enhancing and maintaining amenities in the entry stations on North Slide Road, and a portion of the costs of administering the PID. The estimated total assessment that will be collected for 2007 is \$59,058 (97% collection).

Staff recommended approval of the second reading of this ordinance.

- 5.6. Contract Resolution - Water Utilities: Resolution No. 2007-R0562 authorizing the Mayor to execute a purchase order contract with J&L Equipment for submersible pumps and motor controls for the intermediate lift station at the Southeast Water Reclamation Plant.**

This purchase order contract is for two Flygt NP3301 submersible sewage pumps and appurtenances for the intermediate lift station at the Southeast Water Reclamation Plant (SEWRP). Two screw pumps at the lift station have been in daily operation for 16 years and exposed to hydrogen sulfide gas. Consequently, the pumps are badly worn and deteriorated. Plant modifications designed by Black and Veatch Engineering include replacement of screw pumps with submersible pumps that have less exposure to the corrosive atmosphere. Submersible pumps are more efficient, more economical, and easier to maintain than screw type pumps. Flygt pumps are specified for this application

Currently, the City operates 30 Flygt pumps in within the wastewater collection system. Flygt pumps have proven to be reliable and easy to maintain. Flygt NP 3301 submersible pumps and motor controls are interchangeable with existing Flygt submersible pumps installed at the SEWRP. The two pumps will be used to pump wastewater to Plant No. 4 and will help the City meet Texas Commission on Environmental Quality permit requirements.

J&L Equipment of Canyon, Texas, is the sole authorized distributor and service center for Flygt NP 3301 submersible pumps in North and West Texas. Consequently, this is a sole source procurement exempt from competitive bidding pursuant to Texas Local Government Code 252.022(a)(7)(A). The purchase price is \$94,452 for two pumps (\$77,892), one level controller (\$2,970), one pressure transducer (\$890), and two variable frequency drives (\$12,700).

FISCAL IMPACT

A total of \$1.375 million is appropriated in Capital Improvement Project #91042, Water Reclamation Plant Replacements with \$94,452 available for this purpose.

Lubbock Water Advisory Commission and staff recommended approval of this resolution.

5.7. Application Filing and Authorized Representative Resolution - Water Utilities: Resolution No. 2007-R0563 authorizing the filing of an application for financial assistance from the Texas Water Development Board and delegating authority to the Deputy City Manager concerning the preparation and filing of such application.

The Texas Water Development Board (TWDB) has a number of programs to assist Cities with financing water and wastewater projects. The City has an opportunity to apply for financing the Lake Alan Henry project through a new TWDB water supply program. If successful, the TWDB financing could enable the City to obtain a lower interest rate for the project and save millions of dollars while the debt is repaid.

The first deadline for applications is January 2, 2008. The City must complete the financial application and have it submitted to be included in the first round

of financing. Staff recommended that the City have its application ready for each round in order to secure low interest financing for as much of the project as possible. Other rounds will follow in 2008 and beyond.

It is anticipated that the Lake Alan Henry project will begin construction in 2009. Due to the size of the project, the City will not be able to receive financing for the entire project in one round. However, in each successive round, the City may be able to obtain partial financing. Lubbock will compete with other cities during each round of the application process.

The Texas Water Development Fund Program Guidance Manual is available in the City Manager's Office. Applicable forms for the application from Appendix F of the manual are provided in agenda backup.

FISCAL IMPACT

The Lake Alan Henry project will cost an estimated \$243,472,000. Each percent of interest rate charged for financing represents as much as \$2.4 million in interest payments annually. If the City can obtain a one to two percent lower interest rate, then this will result in millions of savings annually and directly benefit Lubbock citizens. Financing will be required for engineering services in 2008 and construction in 2009.

Staff recommended approval. The Water Commission will consider this at their December 13, 2007, meeting.

6. REGULAR AGENDA

Note: Regular Agenda items, and Consent Agenda items moved to Regular Agenda, are listed in the order they were addressed (5.1, 6.3, 6.2). No action was taken on Item 6.1.

5.1. Taxable Certificates of Obligation Ordinance - Finance: Ordinance No. 2007-O0127 to extend the expiration date of Ordinance No. 2007-O0070 from December 31, 2007, to June 26, 2008.

City Council adopted Ordinance No. 2007-O0070 on June 26, 2007, authorizing the issuance of certificates of obligation in an amount not to exceed \$12 million for the Conference/Civic Center in Overton Park and delegating to the Authorized Officer the authority to approve the amount, the interest rate, price and terms of the authorized certificates. The expiration date of the ordinance was set for December 31, 2007, unless otherwise extended by the City Council by separate action.

The fixed income market, since the passage of the above-mentioned ordinance, has been exceptionally volatile. The municipal bond market has subsequently been affected causing an undesirable market to issue debt. Extending the deadline will allow the fixed income market an opportunity to stabilize in order for the City to issue debt in more favorable conditions.

FISCAL IMPACT

The debt service payment for the Conference/Civic Center is funded from TIF revenues and will be included in the FY 2008-09 Proposed Budget.

Staff recommended approval of the first reading of this ordinance.

Motion was made by Council Member Price, seconded by Council Member Leonard to pass on first reading Ordinance No. 2007-O0127 as recommended by staff. Motion carried: 6 Ayes, 0 Nays.

Mayor Pro Tem Gilbreath recused himself.

- 6.1. Intent to Issue Certificates of Obligation Resolution - Finance: Consider a resolution stating the City Council's intent to issue Certificates of Obligation as soon as possible for the purpose of funding the construction of soccer fields at the Youth Sports Complex at FM 1585 and Milwaukee Avenue.**

This item was deleted.

- 6.3. Resolution - LEDA: Resolution No. 2007-R0564 accepting the Lubbock Economic Development Alliance, Inc. and Market Lubbock, Inc., dba Visit Lubbock, Inc. 2007 Annual Report dated December 14, 2007 as presented to the City Council of the City of Lubbock.**

Lubbock Economic Development Alliance (LEDA) is responsible for supporting the creation of new and existing primary jobs under the Economic Development Act of 1979. LEDA submits an annual report to the City each year for acceptance of projects and activities. This resolution satisfies the requirement of the statute.

FISCAL IMPACT

No fiscal impact.

Gary Lawrence, CEO of Lubbock Economic Development Alliance, Inc. and Market Lubbock, Inc. gave Council an update on their activities for the past twelve months, and requested that Council accept the 2007 Annual Report. Council Members thanked Mr. Lawrence for a job well done.

Motion was made by Council Member Leonard, seconded by Mayor Pro Tem Gilbreath to pass Resolution No. 2007-R0564 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

- 6.2. Intent to Order a Bond Election - Finance: Resolution No. 2007-R0565 stating the City Council's intent to order a bond election to be conducted at the first available uniform election date for the purpose of funding the construction of soccer fields at the Youth Sports Complex at FM 1585 and Milwaukee Avenue.**

Please note that, on this agenda, Items 6.1 and 6.2 are related and present mutually exclusive funding alternatives. City Council may pass either Item 6.1 or Item 6.2 designating the intended funding source for constructing

soccer fields at the Youth Sports Complex. Once adopted, a capital budget amendment will be presented at a future City Council meeting.

In order to fund the soccer fields in Phase II of the Youth Sports Complex, the issuance of debt is necessary.

If the Council chooses to call a bond election, General Obligation bonds could be issued following the approval of the bonds in a general election, and following the authorization of the bonds by ordinance. The bonds would be payable from, and secured by, the proceeds of an annual property tax.

FISCAL IMPACT

The design, engineering, and construction cost estimate for Phase II of the Youth Sports Complex is approximately \$10.2 million. Assuming a 4% growth in assessed valuations for the 2008 tax year, the tax rate impact will be \$0.00755 per \$100 valuation, or \$7.55 per year for a home valued at \$100,000. The incremental increase in annual operating expenditures related to the soccer fields is estimated to be \$550,000. The increase in operations is equivalent to an additional \$0.0051 per \$100 valuation, or \$5.10 per year for a home valued at \$100,000.

City Manager Lee Ann Dumbauld explained the reason for the proposed issuance of debt, along with other projects that would be included for funding. Randy Truesdell, Park and Recreation Manager, gave comments and answered questions from Council. Larry Burks, citizen who addressed Council earlier, gave comments and answered questions from Council.

Motion was made by Council Member Jones, seconded by Council Member Leonard to pass Resolution No. 2007-R0565 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

2. EXECUTIVE SESSION

Mayor Miller stated: "City Council will hold an Executive Session today for the purpose of consulting with the City Staff with respect to pending or contemplated litigation; the purchase, exchange, lease, or value of real property; personnel matters; and competitive matters of the public power utility, as provided by Subchapter D of Chapter 551 of the Government Code, the Open Meetings Law."

4:06 P.M. CITY COUNCIL RECESSED TO EXECUTIVE SESSION City Council Conference Room

All council members were present.

- 2.1. Hold an executive session in accordance with V.T.C.A. Government Code, Section 551.071, to discuss pending or contemplated litigation or settlement agreement, and hold a consultation with attorney. (Police, Right-of-Way, Water Utilities)**

Regular City Council Meeting
December 14, 2007

- 2.2. Hold an executive session in accordance with V.T.C.A. Government Code, Section 551.072, to deliberate the purchase, exchange, lease, or value of real property. (Water Utilities)**
- 2.3. Hold an executive session in accordance with V.T.C.A. Government Code, Section 551.074 (a)(1), to discuss personnel matters (City Attorney, City Manager, City Secretary) and take appropriate action.**
- 2.4. Hold an executive session in accordance with V.T.C.A. Government Code, Section 551.086, on the following competitive matters (Electric Utilities):**
 - 2.4.1 to deliberate, vote and take final action on electric rates of Lubbock Power and Light**
 - 2.4.2 to discuss, vote and take final action on a competitive matter regarding operation, financial and capital statements and budgets, revenue and expense projections, strategic and business plans and studies of Lubbock Power and Light**
 - 2.4.3 to discuss and deliberate a competitive matter regarding the strategies, goals, funding and strategic purpose of the City of Lubbock's relationship with and membership in the West Texas Municipal Power Agency.**

4:55 P. M. COUNCIL ADJOURNED

There being no further business to come before Council, Council Member DeLeon adjourned the meeting.